

SECRET

MEMORANDUM

FOR: EE/G/L

SUBJECT: Alleged Soviet-bloc penetration of UPSWING

"1. Soviet CI possesses an AIS 1956 set of instructions on means to be used in influencing Soviets to defect. This had been given to UPSWING in connection with the creation of a special UPSWING staff designed to work on Soviets in West Germany (including the Soviet Embassy in Bonn) and in the DDR. AIS representatives are also on this staff. This activity is observed by a good Soviet agent. Most details of UTILITY's talks with the head of KUBARK, ASCHAM, in March 1957, relative to coordination and mutual assistance are known to the Soviet CI. The course of these discussions and their results are known, for the most part, and various pertinent documents are in the possession of Soviet CI. The agent who procured the documents, and possibly also the information pertaining to the UTILITY-ASCHAM talks is a Polish agent, i.e. run by the Polish service.

"2. In April 1953, a Soviet CI official claimed that at the present time there are too few tested agents penetrating UPSWING. This is the result of an operation which took place in 1953-55 in which about 100 penetration agents were withdrawn from UPSWING in order to embarrass UTILITY himself and, after his (hoped for) removal in order to place their own agent in his place as head of UPSWING. This did not work. As is known, the Soviet IS at that time had two agents in the leadership of UPSWING one of whom was foreseen as the successor to UTILITY. After this plan did not work, one of these agents was withdrawn; furthermore, 100 agents were blown (dekonspiert).

"3. It has been reported to the Polish Intelligence Service that UPSWING is working on certain reports for the Federal Republic, i.e.

- A. Communist discussions in Moscow on 7 Nov. 57
- B. 10th Party Congress in Poland
- C. Information from the Soviet Union concerning the Zhukov Case
- D. Information re the Chinese Republic

- 2 -

- E. Information re Relations between the Chinese and the Soviets
- F. Information re Currency Reform in the DDR
- G. Information re Situation in Hungary and Czechoslovakia
- H. Information relating to Soviet Economic Plans and other problems
- I. UPDATING Reports on unidentified subjects from 1 January 1958 to 30 June 1958."

**BEST AVAILABLE COPY**